



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

John McDonald Jr., Treasurer  
K Mart Corporation Political Action Committee  
3100 West Big Beaver Road  
Troy, MI 48084

AUG 1 2001

Identification Number: C00085373

Reference: Year End Report (11/28/00-12/31/00)

Dear Mr. McDonald:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-On Schedule A supporting Line 11(a)(i) of the Detailed Summary Page, your report disclosed contributions from individuals that omit the aggregate year-to-date totals. Please amend your report by supplying the information.  
11 CFR §104.3(a)(4)(i)

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

*Andrea S. Needles*

Andrea S. Needles  
Senior Reports Analyst  
Reports Analysis Division

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity. The text suggests that a consistent and thorough record-keeping system is essential for identifying trends, managing cash flow, and providing a clear picture of the company's financial health to stakeholders.

Next, the document addresses the need for regular reconciliation. It explains that comparing the company's internal records with bank statements and other external sources helps to identify and correct any discrepancies or errors. This process is crucial for maintaining the accuracy of the books and preventing potential fraud or mismanagement. The text advises that reconciliation should be performed on a regular basis, such as monthly or quarterly, to catch any issues early on.

The document also highlights the importance of having a clear understanding of the company's financial goals and objectives. It suggests that management should regularly review the financial statements to assess performance against these goals and make necessary adjustments. This involves analyzing key financial ratios, such as the profit margin and return on investment, to determine the company's overall financial performance and identify areas for improvement.

Finally, the document stresses the importance of transparency and communication. It encourages management to provide regular updates to shareholders and other stakeholders regarding the company's financial performance. This includes holding regular meetings to discuss the financial statements and answer any questions. By being transparent and communicative, management can build trust and confidence in the company's financial management.